

Communication on Progress (COP) report



Lundbeck's Communication on Progress report is available online at: www.lundbeck.com/corporate_responsibility. This document is a pdf-version of the online report.

We believe that an open and honest dialogue will benefit our stakeholders as well as our Corporate Responsibility efforts, and we invite you to participate. Feel free to contact us with any questions or comments on compliance@lundbeck.com.

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Introduction

Lundbeck's Corporate Responsibility builds on the company's values, ownership structure and many individual initiatives undertaken by our employees

Lundbeck's ambition is to be the company that makes the biggest difference worldwide in the treatment of patients suffering from brain disorders. We will pursue this ambition in accordance with Lundbeck's corporate values of being: Imaginative, Passionate and Responsible.

Our **business responsibility** is about being fair, transparent and accountable. Lundbeck systematically monitors, evaluates and acts on opportunities and risks to our company in order to develop best practices and business standards. This is reflected in our Code of Ethics that states our ethical aspiration within twelve areas of significant importance for our business.

We work systematically to minimise our **environmental impact**. The precautionary principle guides our efforts, and we ensure continuous improvements in research, development and manufacturing, applying certified environmental management systems.

We acknowledge our **social influence** on people, community and society, and strive to be known as a company that advances responsible social relations. Internally, Lundbeck pursues sound people policies covering the Lundbeck Group.

Internationally, we promote agreed conventions on human and labour rights and promote access to health through the Lundbeck Institute. By generating profit, we contribute to The Lundbeck Foundation, one of the largest private contributors to public research in health and natural sciences in Denmark.

The twelve core issues in our Code of Ethics:

- Our company shall evolve through **stakeholder engagement**
- We will improve **access to health** for people living with CNS disorders
- Our **R&D strategy** aims towards innovative central nervous system treatments
- We will continuously reduce, refine and replace **animal experiments**
- We will ensure high ethical standards and transparency in **clinical trials**
- Our approach to **patient safety** shall be proactive and systematic
- We are committed to work **against corrupt practices**
- Our **standards for suppliers** shall be aligned with internal standards
- We will investigate and report **environmental impact of products**
- We will **minimise consumption** of materials and the **emission of CO₂**
- We will ensure a **sound working environment** for our employees
- We will **develop our human capital** to ensure our long-term performance

Our Code of Ethics is available at www.lundbeck.com/corporate_responsibility.

Executive statement

Supporting the UN Global Compact is part of Lundbeck's long tradition of working with Corporate Responsibility



By signing the UN Global Compact, Lundbeck has acknowledged the importance of joining UN agencies, governments, civil society, business and others in supporting the ten principles for sustainable business development in the areas of human rights, labour, the environment and anti-corruption.

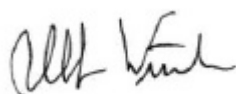
Lundbeck signed the UN Global Compact in September 2009. We see this as a step on the way to advancing Corporate Responsibility practices throughout our business. Focusing on Corporate Responsibility is becoming increasingly important for us to protect the integrity of our business. We wish to continuously develop new ways of working with Corporate Responsibility, and we aim to strengthen and systematise our daily work within the four areas defined by the UN Global Compact.

We understand that the UN Global Compact requires a strong leadership commitment, and a management committee headed by Lundbeck's CEO has been established to support, monitor and ensure appropriate follow-up on our Corporate Responsibility initiatives.

The ten principles have helped us to develop our new Code of Ethics that entered into force in January 2010. The Code of Ethics outlines our ambition on twelve core issues applicable for a global pharmaceutical company like Lundbeck, and it helps us to define, document and communicate our ethical position in a clear and coherent way.

Based on our Code of Ethics, we have defined an action plan for 2010-2012. This plan includes the development of specific Positions for each of the twelve issues to support an increased openness in our business processes. The Positions will be made public available as they are developed. In addition to our Positions, we have defined a number of strategic projects to ensure a successful implementation of our Code of Ethics.

In this report, we aim to communicate our progress against the ten UN Global Compact principles in a transparent and accurate way to provide our stakeholders with an understanding of our Corporate Responsibility ambitions and initiatives.

A handwritten signature in dark ink, appearing to read 'Ulf Wiinberg'.

Ulf Wiinberg
President and CEO of Lundbeck

Our Positions are available at www.lundbeck.com/corporate_responsibility.

Commitment

In support of the UN Global Compact, we continuously seek to improve our work with human rights, labour, the environment and anti-corruption

Our ambition is to be the company that makes the biggest difference worldwide in the treatment of patients suffering from brain disorders. We will pursue this ambition in accordance with Lundbeck's corporate values of being: Imaginative, Passionate and Responsible.

In our daily work our values are translated into a number of policies. We believe that actions speak louder than words and we want to do the right thing. Our reputation builds on respect, trust and integrity, and we understand that our decisions and actions can have a major impact on others. This is reflected in our Code of Ethics and our work with the UN Global Compact.

Human Rights

The UN Global Compact states: Businesses should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.

Lundbeck develops and markets products to help people with severe disorders, and like the rest of the pharmaceutical industry our business is associated with a number of ethical dilemmas with regard to human rights. We acknowledge the following key dilemmas in this respect: conducting animal experiments and clinical trials, ensuring patient safety, marketing our products at a fair price, and providing unbiased knowledge on their use.

As a research-based company we are obliged to conduct experiments on animals in order to enhance the quality of life and the safety of our patients. We will reduce, refine and replace animal experiments according to Lundbeck's policy on the use of animals and our independent ethical review process. We will continuously improve animal welfare and ensure research animals a secure environment and up-to-date facilities.

Lundbeck conducts clinical research activities in accordance with ethical standards that meet international requirements. Furthermore, all ongoing and completed clinical trials are announced and all results of clinical phase II-IV are publicly disclosed regardless of the outcome.

At Lundbeck, we acknowledge our responsibility to people who depend on our products and our knowledge of them to manage their disease. We use state-of-the-art systems to produce high quality products, perform pharmacovigilance and ensure patient safety globally. We continuously evaluate the benefit-risk profile of our products throughout their lifecycle and take action as warranted. We proactively communicate our safety knowledge to our stakeholders.

Lundbeck wishes to improve access to health for people living with psychiatric and neurological disorders. For this reason, a new Position and associated actions will be developed during 2010.

The promotion of medicinal products is strictly regulated and monitored by authorities. At Lundbeck, we are committed to complying with current regulation and to continuously developing our internal procedures for promotional activities. We aim to provide unbiased and transparent information to ensure effective and safe use of our medicines.

Lundbeck complies with the IFPMA Code of Pharmaceutical Marketing Practices; the EFPIA Code on the Promotion of Prescription-only Medicines to, and Interactions with, Healthcare Professionals; as well as national codes on marketing practices in the countries of operations.

Labour

The UN Global Compact states: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.

Lundbeck wants to attract and retain the best people and we aim to develop and maintain a high performance culture. For this reason, sound people policies have been developed to ensure universal labour rights of our employees and that all employees receive the training required to perform their job.

Lundbeck aims to plan and design work processes with focus on preventing health and safety problems. Our efforts aim to enhance both psychological and physical health conditions. This includes for example managing health and safety aspects when major changes take place.

Taking care of people in our operations globally and when working with partners and suppliers is essential for us. Our HSE Policy outlines our ambition to remain a leading company within health and safety, and we focus on continuous improvements through effective management systems. Our HSE management systems are certified according to OHSAS 18001 and cover our research, development and manufacturing sites. We openly communicate our performance within health and safety on an annual basis

Our HSE Policy is available at www.lundbeck.com/corporate_responsibility .

Environment

The UN Global Compact states: Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.

Like the rest of the pharmaceutical industry Lundbeck is facing a number of environmental challenges. This includes the environmental impact linked to research, development and manufacturing, as well as the impact from the end-use of medicine by patients. Both challenges can lead to increased amounts of pharmaceuticals in the environment.

Developing, manufacturing, and marketing new drugs are core elements of our business. Ideally, environmental considerations are made when developing new products and processes. We seek to achieve this by using the least harmful

substances and choosing processes that pose the lowest risks to the environment. We conduct environmental risk assessments of the active pharmaceutical ingredient in our new medicinal products and have implemented procedures for systematically involving environmental improvements in our research and development projects.

In 2007, the Corporate Management Group established a CO₂ strategy, making a firm commitment to minimising our CO₂ emissions.

Our environmental ambitions are outlined in our HSE Policy and are backed by effective management systems. The HSE management systems are certified according to ISO 14001 and cover our research, development and manufacturing sites. We openly communicate our performance within environment on an annual basis.

Anti-corruption

The UN Global Compact states: Businesses should work against corruption in all its forms, including extortion and bribery.

In our effort to help people suffering from psychiatric and neurological disorders, we interact with a large number of different business partners and healthcare professionals all over the world. To maintain our integrity, Lundbeck will not accept or engage in corruption in any form, and we train relevant employees in order to prevent corrupt practices. In addition, we inform our business partners about our commitment to work against corruption, and expect them to live up to our standards.

Lundbeck is currently developing a Code of Conduct including all of the issues covered in our Code of Ethics. The Code of Conduct will be finalised during 2010 and launched together with an implementation plan.

Cross cutting issues

Some of the topics which are important for Lundbeck to address in our Corporate Responsibility efforts touch upon all of the UN Global Compact's ten principles. This applies for example to our legal compliance, our stakeholder engagement and our Supplier Standards.

At Lundbeck, topics related to ethics are integrated in the relevant business areas, and all managers are responsible for ensuring that Lundbeck as a minimum complies with applicable laws and regulations within their area of responsibility. Lundbeck has an anonymous whistleblower procedure to report suspicions of financial misconduct. During 2010, we aim to expand the whistleblower procedure to cover more areas.

Lundbeck's long term profitability is dependent on proactive and constructive dialogue with relevant stakeholders. We want to openly display our rationales for entering into dialogue with each stakeholder group and expect the same openness from our stakeholders.

It is important for Lundbeck that our Supplier Standards are based on internationally agreed conventions and principles. We strive to establish sustainable partnerships in our supply chain to protect the environment and to ensure people a safe, healthy and decent work life. We base our approach on an open dialogue with our suppliers, and the ambition is to create added value for all parties.

Compliance structure

We consistently endeavour to optimise our procedures to ensure compliance with applicable legislation, industry standards and our own guidelines

The responsibility for Lundbeck's ethical behaviour lies with the Supervisory Board and the Corporate Management Group. They ensure that Lundbeck's mission, vision and values are managed in a responsible way and are translated into actions. To support this, Lundbeck has a dedicated Corporate Responsibility Programme the aim of which is to strengthen and systematise responsible business practices and compliance.

The Corporate Responsibility Programme has been given the mandate to establish a structure to further strengthen and systematize Lundbeck's compliance with regulation from legislation, industry standards or internal requirements across the Lundbeck Group. The overall purpose is to strengthen processes, increase transparency and minimise risks.

Our compliance structure consists of three document levels: Code of Ethics, Positions and our Code of Conduct. Our Code of Ethics states our ethical aspiration within twelve areas of significant importance for our business. The Code of Ethics was developed during 2009 and entered into force on 1 January 2010.

To ensure implementation of our ethical aspirations, the Corporate Responsibility Programme and issue managers will develop Positions for each of the twelve issues included in the Code of Ethics. A Position introduces the issue, describes the involved dilemmas, outlines our standpoint and describes the actions taken to fulfil our aspiration.

Our Positions serve as a platform for development and communication to an internal or external audience. The Positions will be developed during 2010, and will be made public available as they are developed.

The nature of our ethical aspirations, as well as external stakeholder demands drive us to develop a Code of Conduct that specifies the rules for acceptable behaviour for all of our employees. Our Code of Conduct will be developed and implemented during 2010. As part of the implementation, all staff will receive mandatory training and managers will be provided with the required tools and instructions to implement the code. In addition, we will refine reporting and auditing activities.



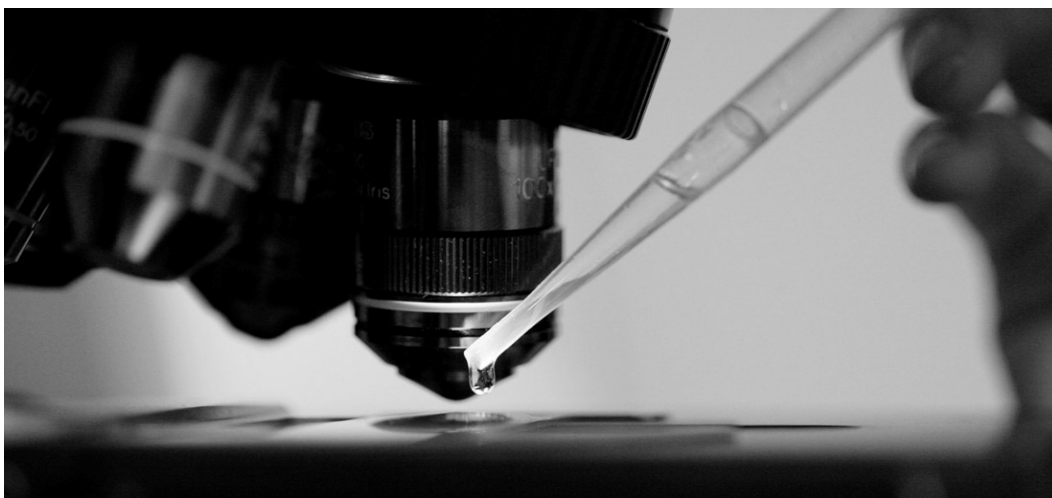
Objectives and targets

We believe that actions speak louder than words and have established a number of targets to further develop our Corporate Responsibility

Lundbeck's work with Corporate Responsibility is based on our Code of Ethics that states our ethical aspiration within twelve areas of significant importance for our business. Based on the Code of Ethics we have developed a number of targets.

We will provide a public status on the progress towards our targets on an annual basis. The status will be part of our reporting to the UN Global Compact.

Topic	Code of Ethics	Target
Code of Conduct		During 2010 and 2011 we will develop and implement a Code of Conduct
Stakeholder approach	Our company shall evolve through stakeholder engagement	During 2010 we intend to further develop and systematise our stakeholder approach by identifying key stakeholders and developing a specific action plan
Supplier Standards	Our standards for suppliers shall be aligned with internal standards	During 2010 we will update our present Supplier Standards , develop tools for suppliers and improve transparency in our supplier evaluation process
Access to Health	We will improve access to health for people living with CNS disorders	During 2010 we will establish an overview of our existing initiatives regarding Access to Health and develop associated actions
CO2 emissions	We will minimise consumption of materials and the emission of CO2	We intend to break the correlation between business growth, energy consumption and the resulting CO2 emissions . Our specific target is for our CO2 emissions in 2016 to be on level with that of 2006 (45,000 tonnes). This corresponds to a 20% reduction compared to the business-as-usual scenario



Activities

The Corporate Responsibility Programme has been given the mandate to further strengthen compliance with defined business practices, increase transparency and minimise ethical risks across the Lundbeck Group

Lundbeck's compliance structure is based on our Code of Ethics that states our ethical aspiration within twelve areas of significant importance for our business. The Code of Ethics was developed during 2009 in cooperation with multiple issue owners throughout Lundbeck and entered into force 1 January 2010.

Corporate Positions will be developed for each of the twelve issues included in the Code of Ethics to ensure implementation of our aspirations. A Position introduces the issue, describes the involved dilemmas, outlines our standpoint and describes the actions taken to fulfil our aspiration.

The Positions will be developed during 2010, and will be made publicly available as they are developed.

In addition to our Positions, we have defined a number of strategic projects to ensure a successful implementation of our Code of Ethics. This includes the following development activities:

- Corporate Responsibility implementation
- Code of Conduct
- Supplier Standards
- Access to Health
- HSE activities

Corporate Responsibility implementation

The objectives are to ensure successful implementation of our Code of Ethics and to increase employee awareness of Corporate Responsibility. Furthermore, we believe that engaging with our external stakeholders will enhance our performance and improve transparency.

We aim to strengthen and systematise Lundbeck's Corporate Responsibility across the Group, and will develop effective compliance structures and monitor, report and follow up on selected indicators.

This includes an update of corporate policies and the development of Positions, procedures, training programmes and supporting reporting structures.

Our reporting structure ensures that we have the data required for meeting the national legal requirement for annual reporting on Corporate Responsibility, for the annual UN Global Compact report and for responding to requests from stakeholders.

Our activities to increase employee awareness of Corporate Responsibility include campaigns at our intranet, newsletters, town hall meetings, induction courses and department meetings.

Our Code of Ethics states that we want to evolve through stakeholder engagement. Over the years, Lundbeck has interacted with patients, physicians, regulators, suppliers, and the media. During 2010, we intend to further develop and systematise our stakeholder approach by identifying key stakeholders and developing a specific action plan.

Code of Conduct

At Lundbeck we are committed to achieving our business goals on the merits of our products, knowledge and services. Our interactions must be responsible and transparent. Our stakeholders have high expectations to our ethical conduct, and our employees have the right to proper guidance.

During 2010, we will develop a Code of Conduct to guide our staff on how to comply with expected business practices and fulfil our ethical aspirations stated in the Code of Ethics. As part of the implementation, all staff will receive mandatory training and managers will be provided with the necessary tools and instructions to implement the code. In addition, we will refine reporting and auditing activities.

A number of pilot countries will test the Code of Conduct and the supporting tools. The complete implementation and final edition of the Code of Conduct will take place in 2011, based on the results of the pilot phase.

The final edition of the Code of Conduct will be made publicly available.

Supplier Standards

At Lundbeck we recognise that our decisions and actions have an impact on others. Likewise, some of the decisions and actions made by our suppliers impact our business. In 2005, Lundbeck established supply chain procedures to mitigate the risks of insufficient protection of people and the environment. In cooperation with our suppliers we aim to establish sustainable partnerships that protect the environment and ensure people a safe, healthy and decent work life.

During 2010, we will update Lundbeck's current Supplier Standards to reflect our commitment to the UN Global Compact, and specifically extend the existing scope to include the principle on anti-corruption. We also intend to develop our current check-and-verify approach by adding aid-and-capacity-building elements, for example help kits and training programmes for our suppliers.

Finally, we will streamline our current process and procedures for optimal and effective supplier relations, and our new Supplier Standards will improve transparency in the evaluation process by providing public access to our Position and procedures by the end of 2010.

Access to Health

Lundbeck's mission is to improve Access to Health for people living with psychiatric and neurological disorders.

The main objective of this project is to establish an overview of our existing initiatives in the area, to understand our stakeholders' expectations and propose actions targeting vulnerable groups. For this reason, a new Position and associated actions will be developed during 2010.

HSE activities

Our research, development and manufacturing of pharmaceuticals are based on chemical synthesis. For this reason, Lundbeck's most significant Health, Safety and Environmental (HSE) impacts derive from our use of raw materials (organic solvents, water, and energy), the generation of waste and emissions to air.

In 2004, Lundbeck's Corporate Management Group launched a HSE strategy to ensure a prioritised, coordinated and long-term HSE effort. Until today, the strategy has delivered clear objectives, optimised work procedures and increased the general knowledge and awareness of HSE issues. At the same time, our external communication regarding Lundbeck's HSE aspects and efforts has been improved.

The strategy must be kept up-to-date to continue this positive trend. The following HSE focus areas are currently defined as the most significant:

- HSE considerations related to the development of pharmaceuticals
- A healthy working environment
- Work-related accidents and environmental incidents
- Consumption and waste
- Energy and CO₂ emission
- HS&E System and audits
- Communication and training



Performance

Our Corporate Responsibility performance

In recent years, Lundbeck's environmental performance has shown a positive trend. While the pharmaceutical and chemical production increased by 15% and 7% respectively from 2008 to 2009, the consumption of raw materials decreased by 2% and energy consumption by 1%.

The positive trend also covers waste generation, which has decreased by 2%. More waste is being recycled and less goes to landfill. Furthermore, our emission of solvents decreased by 11% and CO₂ emissions decreased by 3%. This trend supports our CO₂ reduction target, which states that the CO₂ level in 2016 may not exceed the 2006 level. Until now, CO₂ emissions have decreased by 16% compared to 2006.

Also, there has been a favourable development in the number of lost-time accidents. In 2009, we experienced 23 accidents, which is six less than in 2008. At the same time, the number of workdays lost per accident decreased from 9.2 to 8.5 days per accident. The number of accidents without absence decreased by six to 118.

Lundbeck has a long tradition of publishing HSE data. We have developed interactive charts where our stakeholders can choose their desired combination of year (from 2002-2009), location and report data (for example energy consumption, waste consumption) to compile charts of HSE aspects.

In the future we aim to measure our performance within key Corporate Responsibility areas. The first step is to conduct a materiality assessment according to the Global Reporting Initiative (GRI) G3 guidelines. This will provide us with an overview of relevant indicators for systematic reporting in the future. Systems to track relevant performance will be developed as needed.

Our HSE strategy and more information about our HSE performance are available at www.lundbeck.com/corporate_responsibility.

Methodology

Scoping our UN Global Compact report

Lundbeck signed the UN Global Compact in September 2009. By doing so we have committed ourselves to actively advance the ten principles for sustainable business development in the areas of human rights, labour, the environment and anti-corruption and publicly report on our progress. This is the first time that we have produced a Communication on Progress report to the UN Global Compact.

To be transparent we have chosen to display the following information about the methodology used for developing this report.

Report scope

This report describes our activities and progress in 2009 and covers all our sites including subsidiaries. In 2009, we acquired Ovation Pharmaceutical, Lifehealth and Eliapharm that are now part of the Lundbeck Group.

Data collection and quality

The HSE data for 2009 covers Lundbeck research, development and manufacturing sites. The data are assured by Deloitte. Our sales subsidiaries world-wide and the former Ovation Pharmaceutical and Lifehealth businesses are not covered by these data.

In the future we aim to include more performance data in our report. The first step is to conduct a materiality assessment according to the Global Reporting Initiative (GRI) G3 guidelines. This will provide us with an overview of relevant indicators for systematic reporting in the future. Systems to track relevant performance will be developed as needed.

Stakeholder engagement

This report has been developed without the engagement of external stakeholders. As stated in the report, we aim to systematise our approach to stakeholder engagement during 2010.

